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CENTRAL INTELLIGENCE AGENCY

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

CD NO.

Yugoslavia

Economic - Price control

DATE OF

REPORT

1950

HOW

1

PUBLISHED

COUNTRY

SUBJECT

Monthly periodical

DATE DIST. 6

INFORMATION

IST. (Dec 1950

WHERE

PUBLISHED

Belgrade

NO. OF PAGES 2

DATE

PUBLISHED LANGUAGE Jun 1950

Serbo-Croatian

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION APPECTING THE NATIONAL E

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SOURCE

Narodna Drzava.

A DECREE FOR FREE SALE AND FRICING OF GOODS FOR GENERAL CONSUMPTION IN YUGOSLAVIA

The order for the free sale and pricing of goods for general consumption in Yugoslavia applies only to those goods intended for general consumption. Goods intended for sale through guaranteed supply or commerce at tied prices are excluded. The order is directed at the products of industries of the federal government and the republics, which formerly sold at higher uniform (commercial) prices, at products of local industry outside the state plan of distribution, at agricultural products of the free market, etc. These goods may be sold at prices which correspond to the market, thus partially accepting the principles of the laws of supply and demand. Individual excepted articles may not be sold at prices higher than prescribed maximum prices, in accordance with former directives on price regulation.

Only production enterprises or their administrative-operational directors (in so far as they sell according to current regulations) will determine and regulate selling prices of product: on the free market. Selling prices of products which already have a set uniform price will be increased by an amount corresponding to the market profit. For products which do not have a lower uniform price, production enterprises will present their planned estimates, together with specifications and documentation of production expenditures, to the agency which is concerned with fixing uniform prices. The agency concerned will fix the lower uniform price accordingly. The production enterprise will add its profit and thus determine its own selling price.

The director of the commercial enterprise, or the director of the production enterprise if it sells its products directly to the consumer, will set the prices of products for general consumption for free sale at retail. The same is true with cooperatives. The prices which production enterprises first set always serve commercial enterprises as a basis for setting retail prices. The cost price, which serves as the basis for calculation, takes into consideration the price at which the goods were obtained from producers, the prescribed margin, and conditional expenses.

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Commercial enterprises are not bound by delivery prices in setting retail prices. The market supply of the prescribed product, its quality, its purpose, etc., are taken into consideration when setting its retail price. The retail price can thus be higher or lower than the cost price. For instance, first-class gards will always have a good sale, and commercial enterprises can set a retail price higher than the cost price on such goods. On the other hand, the enterprise will be obliged to sell goods of inferior quality at less than cost.

Production enterprises determine market profits independently, taking into account their market profit plan and also the demand for a given article. Only production enterprises realize market profits, as state commercial enterprises do not operate on a profit basis. The commercial network realizes a market profit only on goods procured from artisan producers' cooperatives, production enterprises of fraternal organizations, or private craftsmen, and when commercial enterprises have furnished the raw and other materials for processing directly to the production enterprise.

The market profit realized by production or commercial enterprises, less the deductions described is to be paid to branches of the People's Bank of the Federal Government. Special bonuses from market profits are to be given to production enterprises which produce goods of better quality than other enterprises.

The consc entious, planned, an' systematic work of production and commercial enterprises will be reflected by the payment of corresponding contributions to the management fund and deductions for unrestricted spending. Production enterprises will deduct one percent from the total amount realized from market profits as their contribution to the management fund, and will retain one percent for unrestricted spending. Commercial enterprises will contribute 6 percent of their total favorable balance to the management fund and 4 percent to the rationalization fund.

The order was put into effect on 1 May 1950.

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